

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF
THE MIAMI BEACH EMPLOYEES' RETIREMENT PLAN
OF THE CITY OF MIAMI BEACH
March 9, 2010

Chairman Boyd called the meeting to order at 10:05 a.m.

Board Members present were as follows:

James Boyd	Jose Cruz	Hilda Fernandez
	Warren Green	Reinaldo Horday
Richard McKinnon	Jonathan Sinkes	Patricia Walker

Members absent - Jorge Gomez

Also present were:

Steve Cypen	Legal Counsel
Rick Rivera	Pension Administrator
Robert Martinez	Assistant Pension Administrator
Gerard Witowski	Disability applicant
Anna Witowski	Active Member
Richard Sicking	Attorney for Gerard Witowski
Steve Palmquist	Fund Actuary

CONSENT AGENDA

A motion was made by Mr. Green duly seconded by Mr. Sinkes, and unanimously

RESOLVED That the Consent Agenda be approved as presented.

CONSENT AGENDA

C-1 The Minutes of the February 2, 2010 Board Meeting were approved as presented.

C-2 New Members were approved as follows -

<u>NAME</u>	<u>ID #</u>	<u>NEW MEMBERS</u> <u>CLASSIFICATION</u>	<u>Union</u>	<u>HIRE</u>
Duane Knecht	19561	Prop Mgmt Div. Dir.	Unc	03/04/2010
Arlene Menendez	19523	Office Assoc. V	Unc	02/22/2010
Sharon Heath	19511	Office Assoc. V	Unc	11/02/2009

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C-3 New Retiree Allowances were approved as follows -

<u>Name</u>	<u>Date</u>	<u>Retirement Type</u>	<u>Monthly Amount</u>
Lynn Wenguer	04/01/2010	Joint Service Ret. (66.67%)	\$1,309.70
Vincent Andreano	04/01/2010	Ordinary from DROP	\$8,834.29
Csaba Kondorosi	04/01/2010	Joint Service Ret. (66.67%)	\$1,894.34

C-4 New Pensioner Allowances were approved as follows -

<u>Name</u>	<u>Date of Retirement</u>	<u>Ret. Type</u>	<u>Dependent upon</u>	<u>Amount</u>
Yolanda Crespín	03/01/2010	50% Ord.	Jack Crespín	\$1,513.66
Isabel Barbosa	03/01/2010	50% Ord.	Eddie Barbosa	\$ 609.79

C-5 Requests for Lump Sum Refunds were approved as follows -

<u>Name</u>	<u>Separation Date</u>	<u>Amount</u>	<u>Reason</u>
Noemy Sandoval	01/02/2009	\$2,726.06	Resignation
Angela Brown	02/12/2010	\$12,220.36	Resignation

C-6 Request for Accumulated Contribution Refund for a Named Beneficiary was approved as follows - (None)

C-7 Purchases of Creditable Service Time were approved as follows-

<u>NAME</u>	<u>DATE</u>	<u>YEAR PURCHASED</u>	<u>HOURS USED</u>	<u>CASH USED</u>	<u>LEAVE AMOUNT</u>
Emilio Brocato	02/24/2010	.51	86.62	\$ 0.00	1,327.34
Elie Fakie	03/01/2010	.54	111.63	\$ 0.00	5,012.77

C-8 Request for up to Two (2) years of additional creditable service were approved as follows -

<u>NAME</u>	<u>SWORN STATEMENT SIGNED & NOTARIZED</u>	<u>PRIVATE SECTOR</u>	<u>CMB APPLICATION/RESUME or additional back up</u>	<u>CREDITABLE SERVICE PURCHASED</u>
Richard Lorber	Yes	X	X	2.0
Steven R. Greene	Yes	X	X	2.0
Luis Aller	Yes	X	X	2.0
Juan Chavez	Yes	X	X	2.0
Jose Gonzalez	Yes	X	X	2.0
Arnita Hall	Yes	X	X	2.0
Ronald Levy	Yes	X	X	2.0
Jose Rivas	Yes	X	X	2.0
Rafael Vitali	Yes	X	X	2.0
Saul Yanes	Yes	X	X	2.0

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C-9 DROP applicants were approved as follows -

Name	Effective Retirement	Estimated Monthly Benefit Calculation	Last DROP Deposit
William Azzinaro	03/01/2010	\$7,090.00	02/01/2013

C-10 Lump Sum Refunds Paid since the last meeting
were approved as follows - (None)

C-11 The Financial Reports were approved as presented.

C-12 Requests for Payment were approved as presented.

Mar-10

Steve Cypen- Legal Services	
Legal services rendered for the month of March 2010	\$ 4,500.00
Joan Wall- Bookkeeping	
services rendered for the month of March 2010	\$ 350.00
Wentworth, Hauser, Violich- Investment Fees	
Quarterly Fees 12/31/2009	\$ 71,684.00
Goldstein Schechter Koch- Auditor	
Progress bill for audit services FY 2009	\$ 4,000.00
GRS- Actuary	
Actuarial Valuation Report Per Inv.# 110779	\$ 9,300.00
Holland & Knight- Legal Fees	
Compliance Review	\$ 75.00
IDD- storage fees	
per Inv.# 047328, 048059	\$ 148.41
CMB Central Services- Postage & Printing	
For the month of per inv.# 00015353, #00015709	\$ 3,945.96
CMB Information Technology- Computer & Phone Use	
For the month of Feb. 2010 per inv.# 00015342	\$ 3,329.34
CMB Property Management- Maintenance Fee	
For the month of Dec. 09 & Jan. 10	\$ 3,518.50
Office Depot- Office Supplies	
Per inv.# 506747711001, 510275324001	\$ 251.68
Frank Fuentes. MD. PA.	
Medical exam for disability applicant D. Larramendi	\$ 275.00
Hilda Fernandez- Conf. & Edu.	
FPPTA Trustees School Travel Exp. Reimbursement	\$ 466.33
Ray Horday- Conf. & Edu.	
FPPTA Trustees School Travel Exp. Reimbursement	\$ 162.35
Echo Chandler- Conf. & Edu.	
FPPTA Trustees School Travel Exp. Reimbursement	\$ 96.50

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SBS Miami Lakes- Copier

Monthly rental fees Per Inv.# 144970399	\$	228.56
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SBS Miami Lakes- Copier

Monthly rental fees for Sharp Copier	\$	228.56
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Comet Courier Corp - Courier services

For delivery of 2009 Board Minutes for binding	\$	36.88
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REGULAR AGENDA

R-1 Deferred Items - (None)

R-2 New Items

- A. Richard Sicking to discuss Gerard Witowski's Worker's Compensation Offset & Benefit - Mr. Cypen reminded the Board that Mr. Witowski had been granted a service connected disability at last month's meeting. He said that Mr. Witowski and his attorney were in attendance at today's meeting to ask the Board to withdraw the service connected disability and replace it with a regular service retirement. He said that the benefit amount is exactly the same and that Mr. Witowski and his attorney had concurred that he would not be subject to a Worker's Compensation offset with a regular service retirement. A discussion ensued.

A motion was made by Mr. Green, duly seconded by Mr. Horday, and unanimously

RESOLVED That Gerard Witowski's service connected disability be withdrawn and replaced with a regular service retirement for the same monthly gross amount of \$2,723.82.

A motion was made by Mr. Green, duly seconded by Mr. Horday, and unanimously

RESOLVED That Gerard Witowski's ordinary service retirement for the amount of \$2,723.82 be approved as presented.

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- B. Transfers between the MBERP & MBP&F pension plans - The Board reviewed the Memo and attached documents from Celia Locke, Executive Director of the Miami Beach Police & Fire Pension Plan, regarding a request to establish an equitable method for transfers between the pension plans. Mr. Palmquist went over different transfer calculating methods and their consequences.

A discussion ensued regarding different calculation methods for employee transfers. The Board decided that an equitable method of calculating an employee transfer to the police & fire system is to have the Board's actuary calculate the accrued liability of the transferring employee taking into consideration the funded ratio of the Plan, not to exceed a funded ratio of 100%. Mr. Palmquist said that an estimated cost for this calculation by his firm was \$200-\$300 per employee.

A motion was made by Mr. McKinnon, duly seconded by Ms. Walker, and unanimously

RESOLVED That going forward all employee transfers to the Miami Beach Police & Fire Pension Plan be performed by the Board Actuary by calculating the accrued liability of the transferring employee taking into consideration the funded ratio of the Plan, not to exceed a funded ratio of 100%.

- C. October 1, 2009 Actuarial Valuation presentation by Gabriel Roeder Smith, Inc. - Mr. Palmquist went over a draft copy of the valuation dated October 1, 2009. He said that the employer's contribution for FYE 9/30/11 is \$18,639,934. He reviewed in detail the analysis of change of employer contribution. Mr. Cruz requested he provide specific detail on how each assumption affected the change of employer contribution. Mr. Palmquist reviewed participant data. Mr. Cruz requested that he breakout the DROP participant information in this section of the report. He said that this year's funded ratio had decreased 5.9% from 80.9% to 75.0%.

Mr. Palmquist went over the UAAL amortization period and payments schedule. He said that due to credits dropping off the schedule over the next 7 years it may be an option to consider combining all payments and start a new schedule. He said that he would make a calculation of the consolidated UAAL and bring it back to the Board.

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Mr. Palmquist compared actual and expected decrements among active employees. He said that significantly fewer members had retired than expected over the last 8 years and significantly fewer members had terminated than expected. He recommended a formal experience study that would include actual and expected decrements as well as an update to the mortality tables currently being used.

Mr. Palmquist said that most plans the size of MBERP that GRS performed a valuation for had greater investment and administrative cost than MBERP. He commended the Board for this statistic. He said that he needed to revise the employer contribution to reflect the funding of those retirees subject to IRS section 415 tax limits. He said that in the past several years the City had funded 100% of their benefit as opposed to that portion paid by the Plan. Mr. Palmquist concluded the presentation of the valuation dated 10/1/2009.

A motion was made by Ms. Walker, duly seconded by Mr. McKinnon, and unanimously

RESOLVED That the Actuarial Valuation Report as of October 1, 2009 be approved as amended.

- D. IRS Code Sec. 415 by Gabriel Roeder Smith - The Board reviewed Mr. Palmquist's letter dated January 26, 2010 regarding the IRS code sec. 415. He said that the pension ordinance currently does not contain favorable language to take into account the 2.5% annual automatic cost-of-living adjustment (COLA) that the Plan provides. Ms. Walker said that the City Administration is currently working on this language for future inclusion in the pension ordinance. Mr. Cypen suggested that the Administrator provide the City Administration a copy of proposed ordinance changes to the VCP submission to the IRS.

- E. Retiree Newsletter by Ray Horday - The Administrator said that approximately 165 retirees had opted to receive the monthly newsletter by U.S. mail. He said that he had posted the newsletter online at MBERP.com. Mr. Horday stated that at some point in the future he wished that all retirees receive the retiree newsletter via U.S. mail. There was no action taken on this item.

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- F. Request by Dr. Lupu to charge \$1000 as Chairman of medical board for Efren Blanc disability case - The Administrator said that Dr. Lupu had requested an additional \$500 to chair the medical board for Mr. Blanc's disability application. He said that this was due to the inordinate amount of voluminous medical records that Dr. Lupu would have to review. Mr. Cypen recommended that his request be granted; stating that Dr. Lupu was a very thorough and professional doctor.

A motion was made by Mr. Green, duly seconded by Ms. Walker, and unanimously

RESOLVED That Dr. Lupu's fee to chair the medical board for disability applicant Efren Blanc be increased by \$500 for a total fee of \$1000.

- G. Update on new separate ADR Index account - The Administrator provided the Board details on the Rhumblin S&P ADR Index Fund custodied at Fiduciary Trust Int'l. He said that the date of funding had been February 26, 2010 and that the monies to fund the account had been redeemed from the Rhumblin S&P 500, S&P 400 and I.C.C. accounts. He said that total funding amount was \$28.5MM and the current market value of the account is \$29.4MM.

R-3 Other Business

- A. Administrator's Report - There was no new information at this time.

R-4 For Your Information

Chairman Boyd and Mr. Cypen reviewed For Your Information.

There being no further business to discuss, a motion was made by Mr. McKinnon duly seconded by Mr. Green and unanimously

RESOLVED That the meeting be adjourned. The meeting was adjourned at 12:03 p.m.

James Boyd, Chairman

Hilda Fernandez, Secretary

